

*BEST COPY
Available*

Approved For Release 2004/06/24 : CIA-RDP64B00346R000100220054-2

State by telling a story about a young boy who was coming up an escalator the wrong way. According to Lord Home, he told the boy, "You cannot do that," to which the boy replied, "But I am an American." Lord Home then told his audience, saying he drew no moral, "I turned him round and I put him back on the right and proper road."

I am afraid it is the British, who in my judgment, have been traveling the wrong road. We would be in serious trouble, indeed, if we followed the suggestions of Lord Home about the proper road to travel.

I was incensed when I read this report of Lord Home's speech. I am still angry about it. But I want to make one thing clear. As one who fought in two World Wars side by side with British men and officers, I know there are no more courageous, determined, or resourceful fighters than the British. And if I had to choose anyone with whom to stand with my back against the wall in a last-ditch struggle for survival, I would not hesitate to make that stand with a Britisher. When the chips are down, they are always superb.

But my point is this, Mr. President, the American people would prefer to meet and defeat communism without first placing our backs to the wall and throwing our chips to the ground. There is no reason why at this point we should continue to negotiate ourselves into a dead-end alley where the only alternative is complete surrender or all-out war. There are many other courses we can take today with regard to Cuba, Asia, trade with the Communists, Berlin, and other points of conflict with the Communists which will strengthen our hand and, in my judgment, make all-out conflict less, not more, likely. But such a policy demands more than mere negotiation and wishful thinking. It requires allied cooperation, and even economic sacrifices.

Mr. President, we are not playing tit-for-tat with the Communists. We are involved in a serious and dangerous cold war struggle. We cannot afford to lose, and the kind of hesitation, gentleman's agreement, and timid diplomacy which played a large part in bringing on World War II is even more out of date today than it was a quarter of a century ago. In facing the Communists, we must fight fire with fire and give up the dangerous habit of confusing the form and appearance of international agreement with the real substance of international security which we have so far been unable to achieve through diplomatic method.

SOVIET OIL OFFENSIVE

Mr. KEATING. Mr. President, the severity of the threat posed to the security of this country by the Soviet oil offensive was graphically emphasized this week with the release of a report by the National Petroleum Council. This group is an advisory body to the Federal Government, and its membership includes 80 men who are leaders in the field of petroleum production, transport, and sale. Eighteen months ago, the council was asked by the Department

of the Interior to make a formal study of the effects of the oil embargo and the exports of oil from the Soviet bloc. A working committee, headed by George F. Piercy, of Standard Oil, and Robert Ebel, of the Department of the Interior, has produced a voluminous, well-documented report which can only be described as startling.

The committee found that the Soviet Union is the repository of vast untapped oil reserves, and that crude oil production is increasing rapidly and far exceeding all official Soviet plans. Furthermore, the Russians are stepping up their ability to export petroleum by building a major pipeline system which they would not have been able to complete thus far without obtaining materials from the free world. West Germany, Italy, and Sweden alone will supply 40 percent of the entire requirements of the Soviet 7-year plan for 40-inch pipeline.

Our allies are also cooperating in this expansion by building Russian deep sea oil tankers in Western countries. The Soviet tanker fleet will be practically self-sufficient by 1965, and two-thirds of the new tonnage will have been supplied by the free world. It is indeed surprising that the Russians seem to be surpassing even their own production estimates in this field, and distressing that the nations of the free world have formulated no coordinated plan to meet the offensive.

Soviet bloc exports to Western Europe have grown, and in the estimation of the committee which has just produced this important report, Soviet bloc exports will continue to grow. This politically motivated trade offensive has three serious consequences:

First, it reduces the revenues of the oil producing nations of the West.

Second, it enables the Communists to obtain strategic goods and technology in return for oil from the industrialized nations.

Third, it enables the Soviets to exert political pressure on underdeveloped countries which become dependent upon receiving Soviet oil.

In recent months, I have spoken out many times in an effort to alert the country to this very real danger. It is gratifying that this long-awaited report was finally released, and I commend the National Petroleum Council, and the members of the committee for their excellent presentation. Perhaps this report will serve to awaken the public and government officials to the harsh facts.

On October 26, the Senate Internal Security Subcommittee will meet in New York to hear testimony relating to trade with the Soviet bloc. It is my hope that the witnesses at the hearing will be able to give us additional information on this oil problem in particular. With this objective in mind, the subcommittee staff is preparing to receive testimony from some of the men who compiled this excellent report.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum. The order for the roll call is rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. MANSFIELD. Mr. President, I move that the Senate stand in recess subject to the call of the Chair.

The motion was agreed to; and (at 1 o'clock and 20 minutes p.m.) the Senate took a recess, subject to the call of the Chair. At 2 o'clock p.m., the Senate reassembled, when called to order by Hon. LEE METCALF, a Senator from the State of Montana.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., October 13, 1962.
To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions, for the fiscal year ending June 30, 1963; that the House receded from its disagreement to the amendments of the Senate numbered 4, 13, and 18 to the bill and concurred therein, and that the House receded from its disagreement to the amendment of the Senate numbered 2 to the bill and concurred therein, with an amendment, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

H.R. 6371. An act to amend the Internal Revenue Code of 1954 with respect to the limitation on retirement income and with respect to the taxable year for which the deduction for interest paid will be allowable to certain building and loan associations, mutual savings banks, and cooperative banks.

H.R. 8269. An act for the relief of Dr. Walter H. Dulberg.